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# News Release

**FOR RELEASE AT 5:30 AM PST**
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## Chevron Reports Fourth Quarter Net Income of $4.9 Billion And 2013 Earnings of $21.4 Billion

**SAN RAMON, Calif., January 31, 2014 –** Chevron Corporation (NYSE: CVX) today reported earnings of $4.9 billion ($2.57 per share – diluted) for the fourth quarter 2013, compared with $7.2 billion ($3.70 per share – diluted) in the 2012 fourth quarter.

Full-year 2013 earnings were $21.4 billion ($11.09 per share – diluted), down 18 percent from $26.2 billion ($13.32 per share – diluted) in 2012.

Sales and other operating revenues in the fourth quarter 2013 were $54 billion, compared to $56 billion in the year-ago period.

**Earnings Summary**

| | Fourth Quarter | | Year | |
|---|---|---|---|---|
| *Millions of dollars* | **2013** | **2012** | **2013** | **2012** |
| Earnings by Business Segment | | | | |
| *Upstream* | $4,852 | $6,858 | $20,809 | $23,788 |
| *Downstream* | 390 | 925 | 2,237 | 4,299 |
| All Other | (312) | (538) | (1,623) | (1,908) |
| **Total** [(1)(2)] | **$4,930** | **$7,245** | **$21,423** | **$26,179** |
| [(1)] *Includes foreign currency effects* | *$202* | *$(131)* | *$474* | *$(454)* |

[(2)] *Net income attributable to Chevron Corporation (See Attachment 1)*

"Global crude oil prices and refining margins were generally lower in 2013 than 2012," said Chairman and CEO John Watson. "These conditions, as well as lower gains on asset sales and higher expenses, resulted in lower earnings. We continue to have an advantaged portfolio, and we have maintained our industry-leading position in upstream earnings per barrel for the past four years."

"Our strong financial position and healthy cash generation in 2013 have allowed us to fund a substantial investment program, add several new resource opportunities and, at the same time, raise shareholder distributions. Major capital projects currently under construction are expected to deliver significant production growth and shareholder value in the years ahead. We also raised the dividend on

our common shares for the 26th consecutive year and continued our share repurchase program, both of which underscore our commitment to providing strong shareholder returns."

Watson continued, "We made significant progress on our LNG projects in Australia during the past year, with Gorgon almost 75 percent complete and Wheatstone successfully reaching important construction and LNG marketing milestones. We expect 2014 will be the peak year for spending on these two projects as we move them closer to first production. Significant progress was also made at two important Gulf of Mexico deepwater projects, Jack/St. Malo and Big Foot."

"We continued to pursue shale and tight-rock opportunities during 2013," Watson noted. Key achievements included major new investments in the Vaca Muerta Shale in Argentina and the Kitimat LNG Project in Canada, acquisition of additional acreage in the Duvernay Shale in Canada, and securing new shale opportunities in Ukraine and central Australia.

Watson commented that the company added approximately 800 million barrels of net oil-equivalent proved reserves in 2013. These additions, which are subject to final reviews, equate to approximately 85 percent of net oil-equivalent production for the year. The largest additions were for the Marcellus Shale and the Permian Basin in the United States. Also significant were additions for fields in Asia and Africa. The company's three-year average reserve replacement ratio is 123 percent of net oil-equivalent production. The company will provide additional details relating to 2013 reserve additions in its Annual Report on Form 10-K scheduled for filing with the SEC on February 21, 2014.

"In the downstream, we progressed our new premium base-oil plant in Pascagoula, Mississippi, and look forward to start-up in early 2014," Watson continued. "In addition, Chevron Phillips Chemical reached a final investment decision on a new ethane cracker in Texas. Both of these projects advance our strategy of focusing investments on higher growth and higher margin products."

The company purchased $1.25 billion of its common stock in fourth quarter 2013 under its share repurchase program. Repurchases for the full year totaled $5 billion. At year-end, balances of cash, cash equivalents, time deposits and marketable securities totaled $16.5 billion, a decrease of $5.4 billion from the end of 2012. Total debt at December 31, 2013 stood at $20.4 billion, an increase of $8.2 billion from a year earlier.

## UPSTREAM

Worldwide net oil-equivalent production was 2.58 million barrels per day in the fourth quarter 2013, down from 2.67 million barrels per day in the 2012 fourth quarter. Production increases from project ramp-ups in the United States and Nigeria were more than offset by normal field declines and lower cost recovery volumes.

**U.S. Upstream**

| *Millions of Dollars* | Fourth Quarter 2013 | Fourth Quarter 2012 | Year 2013 | Year 2012 |
|---|---|---|---|---|
| Earnings | $803 | $1,363 | $4,044 | $5,332 |

U.S. upstream earnings of $803 million in the fourth quarter 2013 were down $560 million from a year earlier due to lower crude oil production and higher operating, income tax, depreciation and exploration expenses.

The company's average sales price per barrel of crude oil and natural gas liquids was $90 in the fourth quarter 2013, down from $91 a year ago. The average sales price of natural gas was $3.35 per thousand cubic feet, compared with $3.22 in last year's fourth quarter.

Net oil-equivalent production of 650,000 barrels per day in the fourth quarter 2013 was down 24,000 barrels per day, or 4 percent, from a year earlier. Production increases in the Marcellus Shale in western Pennsylvania and the Delaware Basin in New Mexico were more than offset by normal field declines elsewhere. The net liquids component of oil-equivalent production decreased 5 percent in the 2013 fourth quarter to 440,000 barrels per day, while net natural gas production decreased 1 percent to 1.26 billion cubic feet per day.

**International Upstream**

| *Millions of Dollars* | Fourth Quarter 2013 | Fourth Quarter 2012 | Year 2013 | Year 2012 |
|---|---|---|---|---|
| Earnings* | $4,049 | $5,495 | $16,765 | $18,456 |
| **Includes foreign currency effects* | *$300* | *$ (34)* | *$559* | *$ (275)* |

International upstream earnings of $4.0 billion decreased $1.45 billion from the fourth quarter 2012. The decrease between quarters was primarily due to the absence of a gain of approximately $1.4 billion on an asset exchange in Australia and higher exploration expenses. Foreign currency effects increased earnings by $300 million in the 2013 quarter, compared with a decrease of $34 million a year earlier.

The average sales price for crude oil and natural gas liquids in the fourth quarter 2013 was $101 per barrel, up from $100 a year earlier. The average price of natural gas was $5.75 per thousand cubic feet, compared with $5.97 in last year's fourth quarter.

Net oil-equivalent production of 1.93 million barrels per day in the fourth quarter 2013 was down 68,000 barrels per day, or 3 percent, from a year ago. Production increases due to project ramp-ups in Nigeria were more than offset by normal field declines and lower cost recovery volumes. The net liquids component of oil-equivalent production decreased 4 percent to 1.29 million barrels per day, while net natural gas production decreased 3 percent to 3.84 billion cubic feet per day.

## DOWNSTREAM

### U.S. Downstream

| *Millions of Dollars* | Fourth Quarter 2013 | Fourth Quarter 2012 | Year 2013 | Year 2012 |
|---|---|---|---|---|
| Earnings | $265 | $331 | $787 | $2,048 |

U.S. downstream operations earned $265 million in the fourth quarter 2013 compared with earnings of $331 million a year earlier. The decrease was mainly due to higher operating expenses reflecting repair and maintenance activity at company refineries and lower margins on refined product sales, partially offset by higher gains on asset sales.

Refinery crude oil input of 871,000 barrels per day in the fourth quarter 2013 increased 169,000 barrels per day from the year-ago period. The increase was primarily due to the absence of effects of an August 2012 incident at the refinery in Richmond, California that shut down the crude unit. Refined product sales of 1.22 million barrels per day were up 69,000 barrels per day from the fourth quarter 2012, mainly reflecting higher gas oils, kerosene and jet fuel sales. Branded gasoline sales increased 1 percent to 513,000 barrels per day.

### International Downstream

| *Millions of Dollars* | Fourth Quarter 2013 | Fourth Quarter 2012 | Year 2013 | Year 2012 |
|---|---|---|---|---|
| Earnings* | $125 | $594 | $1,450 | $2,251 |
| **Includes foreign currency effects* | *$(96)* | *$(97)* | *$(76)* | *$(173)* |

International downstream operations earned $125 million in the fourth quarter 2013 compared with $594 million a year earlier. Current quarter earnings decreased due to lower gains on asset sales, lower margins on refined product sales, an unfavorable change in price effects on derivative instruments and higher income tax expenses. Foreign currency effects decreased earnings by $96 million and $97 million in the 2013 and 2012 periods, respectively.

Refinery crude oil input of 878,000 barrels per day in the fourth quarter 2013 decreased 40,000 barrels per day from the year-ago period. Total refined product sales of 1.56 million barrels per day in the 2013 fourth quarter were essentially flat with the year-ago period.

## ALL OTHER

| *Millions of Dollars* | Fourth Quarter 2013 | Fourth Quarter 2012 | Year 2013 | Year 2012 |
|---|---|---|---|---|
| Net Charges* | $(312) | $(538) | $(1,623) | $(1,908) |
| **Includes foreign currency effects* | *$(2)* | *$0* | *$(9)* | *$(6)* |

All Other consists of mining operations, power generation businesses, worldwide cash management and debt financing activities, corporate administrative functions, insurance operations, real

estate activities, energy services, alternative fuels, and technology companies.

Net charges in the fourth quarter 2013 were $312 million, compared with $538 million in the year-ago period. The change between periods was mainly due to lower corporate tax items and other corporate charges.

## CASH FLOW FROM OPERATIONS

Cash flow from operations in 2013 is estimated at $35.0 billion, compared with $38.8 billion in 2012. Excluding working capital effects, estimated cash flow from operations in 2013 is $36.3 billion, compared with $38.4 billion in 2012, primarily reflecting lower earnings.

## CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures in 2013 were $41.9 billion, compared with $34.2 billion in 2012. The amounts included $2.7 billion in 2013 and $2.1 billion in 2012 for the company's share of expenditures by affiliates, which did not require cash outlays by the company. Expenditures for 2013 include approximately $4 billion for major resource acquisitions in Argentina, Australia, the Permian Basin and the Kurdistan Region of Iraq, along with additional acreage in the Duvernay Shale and interests in the Kitimat LNG Project in Canada. In addition, work progressed on a number of major capital projects, particularly two Australian LNG projects and two deepwater Gulf of Mexico projects. Expenditures for upstream represented 90 percent of the companywide total in 2013.

# # #

## NOTICE

**Chevron's discussion of fourth quarter 2013 earnings with security analysts will take place on Friday, January 31, 2014, at 8:00 a.m. PST. A webcast of the meeting will be available in a listen-only mode to individual investors, media, and other interested parties on Chevron's Web site at www.chevron.com under the "Investors" section. Additional financial and operating information will be contained in the Earnings Supplement that will be available under "Events and Presentations" in the "Investors" section on the Web site.**

**Chevron will post selected first quarter 2014 interim performance data for the company and industry on its Web site on Wednesday, April 9, 2014, at 2:00 p.m. PDT. Interested parties may view this interim data at www.chevron.com under the "Investors" section.**

## CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

*This press release contains forward-looking statements relating to Chevron's operations that are based on management's current expectations, estimates and projections about the petroleum, chemicals and other energy-related industries. Words such as "anticipates," "expects," "intends," "plans," "targets," "forecasts," "projects," "believes," "seeks," "schedules," "estimates," "budgets," "outlook" and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the company's control and are difficult to predict. Therefore, actual outcomes and*

*results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, Chevron undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.*

*Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changing crude oil and natural gas prices; changing refining, marketing and chemicals margins; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; technological developments; the results of operations and financial condition of equity affiliates; the inability or failure of the company's joint-venture partners to fund their share of operations and development activities; the potential failure to achieve expected net production from existing and future crude oil and natural gas development projects; potential delays in the development, construction or start-up of planned projects; the potential disruption or interruption of the company's production or manufacturing facilities or delivery/transportation networks due to war, accidents, political events, civil unrest, severe weather or crude oil production quotas that might be imposed by the Organization of Petroleum Exporting Countries; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant investment or product changes required by existing or future environmental statutes, regulations and litigation; the potential liability resulting from other pending or future litigation; the company's future acquisition or disposition of assets and gains and losses from asset dispositions or impairments; government-mandated sales, divestitures, recapitalizations, industry-specific taxes, changes in fiscal terms or restrictions on scope of company operations; foreign currency movements compared with the U.S. dollar; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; and the factors set forth under the heading "Risk Factors" on pages 28 through 30 of the company's 2012 Annual Report on Form 10-K. In addition, such results could be affected by general domestic and international economic and political conditions. Other unpredictable or unknown factors not discussed in this press release could also have material adverse effects on forward-looking statements.*

**CHEVRON CORPORATION - FINANCIAL REVIEW** **Attachment 1**
**(Millions of Dollars, Except Per-Share Amounts)**

**CONSOLIDATED STATEMENT OF INCOME**

| (unaudited) | Three Months Ended December 31 | | Year Ended December 31 | |
|---|---|---|---|---|
| **REVENUES AND OTHER INCOME** | **2013** | **2012** | **2013** | **2012** |
| Sales and other operating revenues * | **$ 53,950** | $ 56,254 | **$ 220,156** | $ 230,590 |
| Income from equity affiliates | **1,824** | 1,815 | **7,527** | 6,889 |
| Other income | **384** | 2,483 | **1,165** | 4,430 |
| **Total Revenues and Other Income** | **56,158** | 60,552 | **228,848** | 241,909 |
| **COSTS AND OTHER DEDUCTIONS** | | | | |
| Purchased crude oil and products | **32,691** | 33,959 | **134,696** | 140,766 |
| Operating, selling, general and administrative expenses | **7,697** | 7,455 | **29,137** | 27,294 |
| Exploration expenses | **726** | 357 | **1,861** | 1,728 |
| Depreciation, depletion and amortization | **3,635** | 3,554 | **14,186** | 13,413 |
| Taxes other than on income * | **3,211** | 3,251 | **13,063** | 12,376 |
| **Total Costs and Other Deductions** | **47,960** | 48,576 | **192,943** | 195,577 |
| **Income Before Income Tax Expense** | **8,198** | 11,976 | **35,905** | 46,332 |
| Income tax expense | **3,240** | 4,679 | **14,308** | 19,996 |
| **Net Income** | **4,958** | 7,297 | **21,597** | 26,336 |
| Less: Net income attributable to noncontrolling interests | **28** | 52 | **174** | 157 |
| **NET INCOME ATTRIBUTABLE TO CHEVRON CORPORATION** | **$ 4,930** | $ 7,245 | **$ 21,423** | $ 26,179 |
| **PER-SHARE OF COMMON STOCK** | | | | |
| **Net Income Attributable to Chevron Corporation** | | | | |
| **- Basic** | **$ 2.60** | $ 3.73 | **$ 11.18** | $ 13.42 |
| **- Diluted** | **$ 2.57** | $ 3.70 | **$ 11.09** | $ 13.32 |
| **Dividends** | **$ 1.00** | $ 0.90 | **$ 3.90** | $ 3.51 |
| **Weighted Average Number of Shares Outstanding (000's)** | | | | |
| **- Basic** | **1,903,930** | 1,938,257 | **1,917,018** | 1,950,480 |
| **- Diluted** | **1,919,324** | 1,952,298 | **1,932,393** | 1,964,755 |
| * Includes excise, value-added and similar taxes. | **$ 2,128** | $ 2,131 | **$ 8,492** | $ 8,010 |

**CHEVRON CORPORATION - FINANCIAL REVIEW** **Attachment 2**

**(Millions of Dollars)**

(unaudited)

| **EARNINGS BY MAJOR OPERATING AREA** | **Three Months Ended December 31** | | **Year Ended December 31** | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| Upstream | | | | |
| United States | **$ 803** | $ 1,363 | **$ 4,044** | $ 5,332 |
| International | **4,049** | 5,495 | **16,765** | 18,456 |
| Total Upstream | **4,852** | 6,858 | **20,809** | 23,788 |
| Downstream | | | | |
| United States | **265** | 331 | **787** | 2,048 |
| International | **125** | 594 | **1,450** | 2,251 |
| Total Downstream | **390** | 925 | **2,237** | 4,299 |
| All Other [1] | **(312)** | (538) | **(1,623)** | (1,908) |
| **Total** [2] | **$ 4,930** | $ 7,245 | **$ 21,423** | $ 26,179 |

| **SELECTED BALANCE SHEET ACCOUNT DATA** | **Dec. 31, 2013** | **Dec. 31, 2012** |
|---|---|---|
| Cash and Cash Equivalents | **$ 16,245** | $ 20,939 |
| Time Deposits | **$ 8** | $ 708 |
| Marketable Securities | **$ 263** | $ 266 |
| Total Assets | **$ 253,753** | $ 232,982 |
| Total Debt | **$ 20,431** | $ 12,192 |
| Total Chevron Corporation Stockholders' Equity | **$ 149,113** | $ 136,524 |

| **ESTIMATED CASH FLOW FROM OPERATIONS** | **Year Ended December 31** | |
|---|---|---|
| | **2013** | **2012** |
| Net Cash Provided by Operating Activities | **$ 35,002** | $ 38,812 |
| Net (increase) decrease in Operating Working Capital | **$ (1,331)** | $ 363 |
| Net Cash Provided by Operating Activities Excluding Working Capital | **$ 36,333** | $ 38,449 |

| **CAPITAL AND EXPLORATORY EXPENDITURES** [3] | **Three Months Ended December 31** | | **Year Ended December 31** | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | 2012 |
| **United States** | | | | |
| Upstream | **$ 2,567** | $ 3,488 | **$ 8,480** | $ 8,531 |
| Downstream | **699** | 792 | **1,986** | 1,913 |
| Other | **375** | 262 | **821** | 602 |
| **Total United States** | **3,641** | 4,542 | **11,287** | 11,046 |
| **International** | | | | |
| Upstream | **8,812** | 6,494 | **29,378** | 21,913 |
| Downstream | **499** | 512 | **1,189** | 1,259 |
| Other | **6** | 8 | **23** | 11 |
| **Total International** | **9,317** | 7,014 | **30,590** | 23,183 |
| **Worldwide** | **$ 12,958** | $ 11,556 | **$ 41,877** | $ 34,229 |

(1) Includes mining operations, power generation businesses, worldwide cash management and debt financing activities, corporate administrative functions, insurance operations, real estate activities, energy services, alternative fuels and technology companies.

(2) Net Income Attributable to Chevron Corporation (See Attachment 1)

(3) Includes interest in affiliates:

| | | | | |
|---|---|---|---|---|
| United States | **$ 275** | $ 126 | **$ 725** | $ 308 |
| International | **669** | 623 | **1,973** | 1,809 |
| Total | **$ 944** | $ 749 | **$ 2,698** | $ 2,117 |

**CHEVRON CORPORATION - FINANCIAL REVIEW** **Attachment 3**

| OPERATING STATISTICS [1] | Three Months Ended December 31 | | Year Ended December 31 | |
|---|---|---|---|---|
| **NET LIQUIDS PRODUCTION (MB/D):** [2] | **2013** | **2012** | **2013** | **2012** |
| United States | **440** | 462 | **449** | 455 |
| International | **1,286** | 1,333 | **1,282** | 1,309 |
| **Worldwide** | **1,726** | 1,795 | **1,731** | 1,764 |
| **NET NATURAL GAS PRODUCTION (MMCF/D):** [3] | | | | |
| United States | **1,261** | 1,273 | **1,246** | 1,203 |
| International | **3,836** | 3,963 | **3,946** | 3,871 |
| **Worldwide** | **5,097** | 5,236 | **5,192** | 5,074 |
| **TOTAL NET OIL-EQUIVALENT PRODUCTION (MB/D):** [4] | | | | |
| United States | **650** | 674 | **657** | 655 |
| International | **1,926** | 1,994 | **1,940** | 1,955 |
| **Worldwide** | **2,576** | 2,668 | **2,597** | 2,610 |
| **SALES OF NATURAL GAS (MMCF/D):** | | | | |
| United States | **4,559** | 5,509 | **5,483** | 5,470 |
| International | **4,168** | 4,214 | **4,251** | 4,315 |
| **Worldwide** | **8,727** | 9,723 | **9,734** | 9,785 |
| **SALES OF NATURAL GAS LIQUIDS (MB/D):** | | | | |
| United States | **154** | 167 | **142** | 157 |
| International | **89** | 92 | **88** | 88 |
| **Worldwide** | **243** | 259 | **230** | 245 |
| **SALES OF REFINED PRODUCTS (MB/D):** | | | | |
| United States | **1,221** | 1,152 | **1,182** | 1,211 |
| International [5] | **1,557** | 1,565 | **1,529** | 1,554 |
| **Worldwide** | **2,778** | 2,717 | **2,711** | 2,765 |
| **REFINERY INPUT (MB/D):** | | | | |
| United States | **871** | 702 | **774** | 833 |
| International [6] | **878** | 918 | **864** | 869 |
| **Worldwide** | **1,749** | 1,620 | **1,638** | 1,702 |
| (1) Includes interest in affiliates. | | | | |
| (2) Includes: Canada - Synthetic Oil | **45** | 43 | **43** | 43 |
| Venezuela Affiliate - Synthetic Oil | **32** | 22 | **25** | 17 |
| (3) Includes natural gas consumed in operations (MMCF/D): | | | | |
| United States [7] | **68** | 69 | **72** | 65 |
| International [7] | **456** | 452 | **452** | 457 |
| (4) Net oil-equivalent production is the sum of net liquids production and net gas production. The oil-equivalent gas conversion ratio is 6,000 cubic feet of natural gas = 1 barrel of crude oil. | | | | |
| (5) Includes share of affiliate sales (MB/D): | **469** | 522 | **471** | 522 |
| (6) As of June 2012, Star Petroleum Refining Company crude-input volumes are reported on a 100 percent consolidated basis. Prior to June 2012, crude-input volumes reflect a 64 percent equity interest. | | | | |
| (7) 2012 conforms to 2013 presentation. | | | | |